

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 7
AMPAL-AMERICAN ISRAEL	:
CORPORATION,	: Case No. 12-13689 (SMB)
Debtor.	:
MERHAV AMPAL GROUP, LTD. f/k/a	: Adv. No. 14-02385 (SMB)
MERHAV-AMPAL ENERGY, LTD.,	:
Plaintiff,	:
v.	:
MERHAV (M.N.F) LIMITED and	:
YOSEF A. MAIMAN,	:
Defendants.	:
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DECLARATION OF SHLOMI KELSI

I, Shlomi Kelsi, provide this Declaration in support of the Plaintiff's Motion for Summary Judgment testifying as follows:

1. I am the Managing Director of Merhav Ampal Group, Ltd., which was formerly known as Merhav-Ampal Energy, Ltd. ("MAG"), the Plaintiff in this Adversary Proceeding. I previously provided affidavit testimony in support of MAG's motion pursuant to CPLR §3213 for summary judgment in lieu of complaint filed in the Supreme Court of the State of New York, County of New York. This Declaration is intended to supplement my original affidavit testimony. All defined terms in my original affidavit are used in this Declaration.

2. MAG is a corporation organized under the laws of Israel and is a wholly owned subsidiary of Ampal Energy, LTD, which is a wholly owned subsidiary of Ampal-American

Israel Corporation (“Ampal”), the Debtor in this Chapter 7 bankruptcy case.

3. As indicated in my original affidavit, the amount due to MAG on the 2008 Note and the Guaranty that are the subject of this action exceeds \$25.6 million.

4. MAG is not an operating company and is in the process of winding up its business affairs. Recovering the amounts due on 2008 Note and Guaranty will be important to this effort and will ultimately result in several million dollars being paid to Ampal.

5. MAG’s current liabilities to third parties consist of the following: approximately \$8.7 million is owed to Israeli taxing authorities; and, approximately \$2 million is owed to third-party creditors. In addition, MAG owes Ampal \$61.9 million; owes Ampal (Israel) Ltd. \$266.8 million; and, owes Ampal Holdings (1991) Ltd. \$54.2 million on capital notes that are currently in default. Ampal (Israel) Ltd. and Ampal Holdings (1991) Ltd. are directly or indirectly controlled by Ampal.

6. If MAG recovers the amounts due on the 2008 Note and Guaranty, the recovery, net of attorneys’ fees and expenses, will exceed \$20 million. After payment of its current liabilities, \$10 million or more will be available to make payment to Ampal and its subsidiaries on the capital notes, almost all of which should ultimately be included in the Ampal bankruptcy estate.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed on December 15, 2014 in Tel Aviv, Israel.

SHLOMI KELSI